GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3817
ANSWERED ON:08.08.2002
REQUEST OF STATE GOVERNMENT OF ANDHRA PRADESH
RENUKA CHOWDHURY

Will the Minister of POWER be pleased to state:

(a) whether the Government of Andhra Pradesh has made a request to the UnionGovernment to issue an irrevocable authorization to pay such amounts to the Power Finance Corporation as they have paid to CMEC on account of APGENCO`s default imonthly payments; and

(b) if so, the action taken by the Union Government on the request?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) : An agreement has been concluded between Ministry of Finance/Government of India and Government of Andhra Pradesh on 1.7.2002, which stipulates that in case of any failure on the part of APGENCO to honor its commitmentsand Power Finance Corporation (PFC) makes the corresponding payments to CMEC in accordance with Deferred Payment Guarantee provided by them, Ministry of Finance undertakes to pay PFC, promptly on demand, such amount of default payment made byPFC from out of Normal Central Assistance to the State from Central Governmentsamounts covering both interest and installments, subject to the condition that the payment in any one month does not exceed the ceiling of Rs.50 crores.